

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1499 be amended to read as follows:

- 1 Page 23, between lines 24 and 25, begin a new paragraph and
- 2 insert:
- 3 "SECTION 23. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.4-2000,
- 4 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 JANUARY 1, 2002]: Sec. 4.5. (a) For purposes of this section,
- 6 "personal property" means personal property other than inventory (as
- 7 defined in IC 6-1.1-3-11(a)).
- 8 (b) An applicant must provide a statement of benefits to the
- 9 designating body. The applicant must provide the completed statement
- 10 of benefits form to the designating body before the hearing specified in
- 11 section 2.5(c) of this chapter or before the installation of the new
- 12 manufacturing equipment or new research and development
- 13 equipment, or both, for which the person desires to claim a deduction
- 14 under this chapter. The state board of tax commissioners shall prescribe
- 15 a form for the statement of benefits. The statement of benefits must
- 16 include the following information:
- 17 (1) A description of the new manufacturing equipment or new
- 18 research and development equipment, or both, that the person
- 19 proposes to acquire.
- 20 (2) With respect to:
- 21 (A) new manufacturing equipment not used to dispose of
- 22 solid waste or hazardous waste by converting the solid
- 23 waste or hazardous waste into energy or other useful
- 24 products; and
- 25 (B) new research and development equipment;
- 26 an estimate of the number of individuals who will be employed
- 27 or whose employment will be retained by the person as a result

1 of the installation of the new manufacturing equipment or new
2 research and development equipment, or both, and an estimate
3 of the annual salaries of these individuals.
4 (3) An estimate of the cost of the new manufacturing equipment
5 or new research and development equipment, or both.
6 (4) With respect to new manufacturing equipment used to
7 dispose of solid waste or hazardous waste by converting the solid
8 waste or hazardous waste into energy or other useful products,
9 an estimate of the amount of solid waste or hazardous waste that
10 will be converted into energy or other useful products by the new
11 manufacturing equipment.

12 With the approval of the state board of tax commissioners, the
13 statement of benefits may be incorporated in a designation application.
14 Notwithstanding any other law, a statement of benefits is a public
15 record that may be inspected and copied under IC 5-14-3-3.

16 (c) The designating body must review the statement of benefits
17 required under subsection (b). The designating body shall determine
18 whether an area should be designated an economic revitalization area
19 or whether the deduction shall be allowed, based on (and after it has
20 made) the following findings:

21 (1) Whether the estimate of the cost of the new manufacturing
22 equipment or new research and development equipment, or both,
23 is reasonable for equipment of that type.

24 (2) With respect to:

25 (A) new manufacturing equipment not used to dispose of
26 solid waste or hazardous waste by converting the solid
27 waste or hazardous waste into energy or other useful
28 products; and

29 (B) new research and development equipment;

30 whether the estimate of the number of individuals who will be
31 employed or whose employment will be retained can be
32 reasonably expected to result from the installation of the new
33 manufacturing equipment or new research and development
34 equipment, or both.

35 (3) Whether the estimate of the annual salaries of those
36 individuals who will be employed or whose employment will be
37 retained can be reasonably expected to result from the proposed
38 installation of new manufacturing equipment or new research
39 and development equipment, or both.

40 (4) With respect to new manufacturing equipment used to
41 dispose of solid waste or hazardous waste by converting the solid
42 waste or hazardous waste into energy or other useful products,
43 whether the estimate of the amount of solid waste or hazardous
44 waste that will be converted into energy or other useful products
45 can be reasonably expected to result from the installation of the
46 new manufacturing equipment.

47 (5) Whether any other benefits about which information was
48 requested are benefits that can be reasonably expected to result
49 from the proposed installation of new manufacturing equipment
50 or new research and development equipment, or both.

51 (6) Whether the totality of benefits is sufficient to justify the

1 deduction.

2 The designating body may not designate an area an economic
3 revitalization area or approve the deduction unless it makes the
4 findings required by this subsection in the affirmative.

5 (d) Except as provided in subsection (f), an owner of new
6 manufacturing equipment whose statement of benefits is approved
7 before May 1, 1991, is entitled to a deduction from the assessed value
8 of that equipment for a period of five (5) years. Except as provided in
9 subsections (f) and (i), an owner of new manufacturing equipment or
10 new research and development equipment, or both, whose statement of
11 benefits is approved after June 30, 2000, is entitled to a deduction from
12 the assessed value of that equipment for the number of years
13 determined by the designating body under subsection (h). Except as
14 provided in subsections (f) and (g) and in section 2(i)(3) of this chapter,
15 the amount of the deduction that an owner is entitled to for a particular
16 year equals the product of:

17 (1) the assessed value of the new manufacturing equipment or
18 new research and development equipment, or both, ~~in the year~~
19 ~~that the equipment is installed for that particular assessment~~
20 ~~year~~; multiplied by

21 (2) the percentage prescribed in the table set forth in subsection
22 (e).

23 (e) The percentage to be used in calculating the deduction under
24 subsection (d) is as follows:

25 (1) For deductions allowed over a one (1) year period:

26 YEAR OF DEDUCTION	PERCENTAGE
27 1st	100%
28 2nd and thereafter	0%

29 (2) For deductions allowed over a two (2) year period:

30 YEAR OF DEDUCTION	PERCENTAGE
31 1st	100%
32 2nd	50%
33 3rd and thereafter	0%

34 (3) For deductions allowed over a three (3) year period:

35 YEAR OF DEDUCTION	PERCENTAGE
36 1st	100%
37 2nd	66%
38 3rd	33%
39 4th and thereafter	0%

40 (4) For deductions allowed over a four (4) year period:

41 YEAR OF DEDUCTION	PERCENTAGE
42 1st	100%
43 2nd	75%
44 3rd	50%
45 4th	25%
46 5th and thereafter	0%

47 (5) For deductions allowed over a five (5) year period:

48 YEAR OF DEDUCTION	PERCENTAGE
49 1st	100%
50 2nd	80%

1	3rd	60%
2	4th	40%
3	5th	20%
4	6th and thereafter	0%
5	(6) For deductions allowed over a six (6) year period:	
6	YEAR OF DEDUCTION	PERCENTAGE
7	1st	100%
8	2nd	85%
9	3rd	66%
10	4th	50%
11	5th	34%
12	6th	25%
13	7th and thereafter	0%
14	(7) For deductions allowed over a seven (7) year period:	
15	YEAR OF DEDUCTION	PERCENTAGE
16	1st	100%
17	2nd	85%
18	3rd	71%
19	4th	57%
20	5th	43%
21	6th	29%
22	7th	14%
23	8th and thereafter	0%
24	(8) For deductions allowed over an eight (8) year period:	
25	YEAR OF DEDUCTION	PERCENTAGE
26	1st	100%
27	2nd	88%
28	3rd	75%
29	4th	63%
30	5th	50%
31	6th	38%
32	7th	25%
33	8th	13%
34	9th and thereafter	0%
35	(9) For deductions allowed over a nine (9) year period:	
36	YEAR OF DEDUCTION	PERCENTAGE
37	1st	100%
38	2nd	88%
39	3rd	77%
40	4th	66%
41	5th	55%
42	6th	44%
43	7th	33%
44	8th	22%
45	9th	11%
46	10th and thereafter	0%
47	(10) For deductions allowed over a ten (10) year period:	
48	YEAR OF DEDUCTION	PERCENTAGE
49	1st	100%
50	2nd	90%

1	3rd	80%
2	4th	70%
3	5th	60%
4	6th	50%
5	7th	40%
6	8th	30%
7	9th	20%
8	10th	10%
9	11th and thereafter	0%

10 (f) Notwithstanding subsections (d) and (e), a deduction under this
 11 section is not allowed in the first year the deduction is claimed for new
 12 manufacturing equipment or new research and development
 13 equipment, or both, to the extent that it would cause the assessed value
 14 of all of the personal property of the owner in the taxing district in
 15 which the equipment is located (excluding personal property that is
 16 assessed as construction in process) to be less than the assessed value
 17 of all of the personal property of the owner in that taxing district
 18 (excluding personal property that is assessed as construction in
 19 process) in the immediately preceding year.

20 (g) If a deduction is not fully allowed under subsection (f) in the
 21 first year the deduction is claimed, then the percentages specified in
 22 subsection (d) or (e) apply in the subsequent years to the amount of
 23 deduction that was allowed in the first year.

24 (h) For an economic revitalization area designated before July 1,
 25 2000, the designating body shall determine whether a property owner
 26 whose statement of benefits is approved after April 30, 1991, is entitled
 27 to a deduction for five (5) or ten (10) years. For an economic
 28 revitalization area designated after June 30, 2000, the designating body
 29 shall determine the number of years the deduction is allowed. However,
 30 the deduction may not be allowed for more than ten (10) years. This
 31 determination shall be made:

- 32 (1) as part of the resolution adopted under section 2.5 of this
- 33 chapter; or
- 34 (2) by resolution adopted within sixty (60) days after receiving a
- 35 copy of a property owner's certified deduction application from
- 36 the state board of tax commissioners. A certified copy of the
- 37 resolution shall be sent to the county auditor and the state board
- 38 of tax commissioners.

39 A determination about the number of years the deduction is allowed
 40 that is made under subdivision (1) is final and may not be changed by
 41 following the procedure under subdivision (2).

42 (i) The owner of new manufacturing equipment that is directly used
 43 to dispose of hazardous waste is not entitled to the deduction provided
 44 by this section for a particular assessment year if during that
 45 assessment year the owner:

- 46 (1) is convicted of a violation under IC 13-7-13-3 (repealed),
 47 IC 13-7-13-4 (repealed), or IC 13-30-6; or
- 48 (2) is subject to an order or a consent decree with respect to
 49 property located in Indiana based on a violation of a federal or
 50 state rule, regulation, or statute governing the treatment, storage,

1 or disposal of hazardous wastes that had a major or moderate
2 potential for harm."

3 Page 57, between lines 28 and 29, begin a new paragraph and
4 insert:

5 "SECTION 62. [EFFECTIVE JANUARY 1, 2002]
6 **IC 6-1.1-12.1-4.5, as amended by this act, applies to property taxes**
7 **first due and payable after December 31, 2001."**

8 Renumber all SECTIONS consecutively.
(Reference is to HB 1499 as printed February 13, 2001.

Representative GOEGLEIN